



General Assembly

**Amendment**

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LCO No. 6220

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Offered by:

SEN. PETERS, 20<sup>th</sup> Dist.  
REP. BACKER, 121<sup>st</sup> Dist.  
SEN. HERLIHY, 8<sup>th</sup> Dist.

REP. DELGOBBO, 70<sup>th</sup> Dist.  
REP. DUFF, 137<sup>th</sup> Dist.  
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To: Subst. Senate Bill No. 733

File No. 428

Cal. No. 297

**"AN ACT CONCERNING REVISIONS TO THE ELECTRIC  
RESTRUCTURING LEGISLATION."**

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

3 "Section 1. Subdivisions (26) and (27) of subsection (a) of section 16-  
4 1 of the general statutes are repealed and the following is substituted  
5 in lieu thereof (*Effective July 1, 2003*):

6 (26) "Class I renewable energy source" means (A) energy derived  
7 from solar power, wind power, a fuel cell, methane gas from landfills,  
8 ocean thermal power, wave or tidal power, low emission advanced  
9 renewable energy conversion technologies, a run-of-the-river  
10 hydropower facility provided such facility has a generating capacity of  
11 not more than five megawatts, does not cause an appreciable change in  
12 the river flow, and began operation after the effective date of this  
13 section, or a biomass facility, including, but not limited to, a biomass

14 gasification plant that utilizes land clearing debris, tree stumps or  
15 other biomass that regenerates or the use of which will not result in a  
16 depletion of resources, provided such facility begins operating on or  
17 after July 1, 1998, [and] and such biomass is cultivated and harvested  
18 in a sustainable manner, except that energy derived from a biomass  
19 facility that began operation before July 1, 1998, may be considered a  
20 Class I renewable energy source, provided the average emission rate  
21 for such facility is equal to or less than .075 pounds of nitrogen oxides  
22 per million BTU of heat input for the previous calendar quarter and  
23 such biomass is cultivated and harvested in a sustainable manner, or  
24 (B) any electrical generation, including distributed generation,  
25 generated from a Class I renewable energy source;

26 (27) "Class II renewable energy source" means energy derived from  
27 a trash-to-energy facility, [or] a biomass facility [that does not meet the  
28 criteria for a class I renewable energy source or a hydropower facility,  
29 provided such facility has a license issued by the Federal Energy  
30 Regulatory Commission, has been exempted from such licensure, is  
31 the subject of a license application or notice of intent to seek a license  
32 from said commission, has been found by the Commissioner of  
33 Environmental Protection to be operating in compliance with the  
34 federal Clean Water Act, or has been found by the Canadian  
35 environmental assessment agency to be operating in compliance with  
36 said agency's resource objectives] that began operation before July 1,  
37 1998, provided the average emission rate for such facility is equal to or  
38 less than .2 pounds of nitrogen oxides per million BTU of heat input  
39 for the previous calendar quarter, or a run-of-the-river hydropower  
40 facility provided such facility has a generating capacity of not more  
41 than five megawatts, does not cause an appreciable change in the  
42 riverflow, and began operation prior to the effective date of this  
43 section.

44 Sec. 2. Subsection (a) of section 16-1 of the general statutes is  
45 amended by adding subdivisions (40) and (41) as follows (*Effective July*  
46 *1, 2003*):

47 (NEW) (40) "Distributed generation" means the generation of  
48 electricity on the premises of an end user within the transmission and  
49 distribution system including, but not limited to, fuel cells,  
50 photovoltaic systems or small wind turbines.

51 (NEW) (41) "Federally mandated congestion costs" means any cost  
52 imposed by the Federal Energy Regulatory Commission as part of  
53 New England Standard Market Design.

54 Sec. 3. Section 16-243h of the general statutes is repealed and the  
55 following is substituted in lieu thereof (*Effective July 1, 2003*):

56 On and after January 1, 2000, each electric supplier [, as defined in  
57 section 16-1] or any electric distribution company providing standard  
58 offer, transitional standard offer, standard service or back-up electric  
59 generation service, pursuant to section 16-244c, as amended by this act,  
60 shall give a credit for any electricity generated by a residential  
61 customer from a Class I renewable energy source or a hydropower  
62 facility. [as described in subdivision (27) of section 16-1.] The electric  
63 distribution company providing electric distribution services to such a  
64 customer shall make such interconnections necessary to accomplish  
65 such purpose. An electric distribution company, at the request of any  
66 residential customer served by such company and if necessary to  
67 implement the provisions of this section, shall provide for the  
68 installation of metering equipment that (1) measures electricity  
69 consumed by such customer from the facilities of the electric  
70 distribution company, (2) deducts from the measurement the amount  
71 of electricity produced by the customer and not consumed by the  
72 customer, and (3) registers, for each billing period, the net amount of  
73 electricity either [(i)] (A) consumed and produced by the customer, or  
74 [(ii)] (B) the net amount of electricity produced by the customer. A  
75 residential customer who generates electricity from a generating unit  
76 with a name plate capacity of more than ten kilowatts of electricity  
77 pursuant to the provisions of this section shall be assessed for the  
78 competitive transition assessment, pursuant to section 16-245g and the  
79 systems benefits charge, pursuant to section 16-245l, as amended by

80 this act, based on the amount of electricity consumed by the customer  
81 from the facilities of the electric distribution company without netting  
82 any electricity produced by the customer. For purposes of this section,  
83 "residential customer" means a customer of a single-family dwelling or  
84 multifamily dwelling consisting of two to four units.

85 Sec. 4. Section 16-244c of the general statutes is repealed and the  
86 following is substituted in lieu thereof (*Effective July 1, 2003*):

87 (a) (1) On and after January 1, 2000, each electric distribution  
88 company [, as defined in section 16-1,] shall make available to all  
89 customers in its service area, the provision of electric generation and  
90 distribution services through a standard offer. Under the standard  
91 offer, a customer shall receive electric services at a rate established by  
92 the Department of Public Utility Control pursuant to subdivision (2) of  
93 this subsection. Each electric distribution company shall provide  
94 electric generation services in accordance with such option to any  
95 customer who affirmatively chooses to receive electric generation  
96 services pursuant to the standard offer or does not or is unable to  
97 arrange for or maintain electric generation services with an electric  
98 supplier. [, as defined in said section 16-1.] The standard offer shall  
99 automatically terminate on January 1, 2004. [, unless extended by the  
100 General Assembly pursuant to section 74 of public act 98-28\*.] While  
101 providing electric generation services under the standard offer, an  
102 electric distribution company may provide electric generation services  
103 through any of its generation entities or affiliates, provided such  
104 entities or affiliates are licensed pursuant to section 16-245, as  
105 amended by this act.

106 (2) Not later than October 1, 1999, the Department of Public Utility  
107 Control shall establish the standard offer for each electric distribution  
108 company, effective January 1, 2000, which shall allocate the costs of  
109 such company among electric transmission and distribution services,  
110 electric generation services, the competitive transition assessment and  
111 the systems benefits charge. The department shall hold a hearing that  
112 shall be conducted as a contested case in accordance with chapter 54 to

113 establish the standard offer. The standard offer shall provide that the  
114 total rate charged under the standard offer, including electric  
115 transmission and distribution services, the conservation and load  
116 management program charge described in section 16-245m, as  
117 amended by this act, the renewable energy investment charge  
118 described in section 16-245n, electric generation services, the  
119 competitive transition assessment and the systems benefits charge  
120 shall be at least ten per cent less than the base rates, as defined in  
121 section 16-244a, in effect on December 31, 1996. The standard offer  
122 shall be adjusted to the extent of any increase or decrease in state taxes  
123 attributable to sections 12-264 and 12-265 and any other increase or  
124 decrease in state or federal taxes resulting from a change in state or  
125 federal law and shall continue to be adjusted during such period  
126 pursuant to section 16-19b. Notwithstanding the provisions of section  
127 16-19b, the provisions of said section 16-19b shall apply to electric  
128 distribution companies. The standard offer may be adjusted, by an  
129 increase or decrease, to the extent approved by the department, in the  
130 event that (A) the revenue requirements of the company are affected as  
131 the result of changes in (i) legislative enactments other than public act  
132 98-28\*\*, (ii) administrative requirements, or (iii) accounting standards  
133 occurring after July 1, 1998, provided such accounting standards are  
134 adopted by entities independent of the company that have authority to  
135 issue such standards, or (B) an electric distribution company incurs  
136 extraordinary and unanticipated expenses required for the provision of  
137 safe and reliable electric service to the extent necessary to provide such  
138 service. Savings attributable to a reduction in taxes shall not be shifted  
139 between customer classes.

140 (3) The price reduction provided in subdivision (2) of this  
141 subsection shall not apply to customers who, on or after July 1, 1998,  
142 are purchasing electric services from an electric company or electric  
143 distribution company, as the case may be, under a special contract or  
144 flexible rate tariff, and the company's filed standard offer tariffs shall  
145 reflect that such customers shall not receive the standard offer price  
146 reduction.

147 [(b) On and after January 1, 2004, each electric distribution company  
148 shall serve any customer who does not or is unable to arrange for or  
149 maintain electric generation services with an electric supplier. The  
150 electric distribution company shall procure electric generation services  
151 for such customers through a competitive bidding process. An electric  
152 distribution company may procure electric generation services through  
153 any of its generation entities or affiliates, provided such entity or  
154 affiliate is the lowest qualified bidder and provided further any such  
155 entity or affiliate is licensed pursuant to section 16-245.]

156 (b) (1) On and after January 1, 2004, each electric distribution  
157 company shall make available to all customers in its service area, the  
158 provision of electric generation and distribution services through a  
159 transitional standard offer. Under the transitional standard offer, a  
160 customer shall receive electric services at a rate established by the  
161 Department of Public Utility Control pursuant to subdivision (2) of  
162 this subsection. Each electric distribution company shall provide  
163 electric generation services in accordance with such option to any  
164 customer who affirmatively chooses to receive electric generation  
165 services pursuant to the transitional standard offer or does not or is  
166 unable to arrange for or maintain electric generation services with an  
167 electric supplier. The transitional standard offer shall terminate on  
168 December 31, 2006. While providing electric generation services under  
169 the transitional standard offer, an electric distribution company may  
170 provide electric generation services through any of its generation  
171 entities or affiliates, provided such entities or affiliates are licensed  
172 pursuant to section 16-245, as amended by this act.

173 (2) (A) Not later than December 15, 2003, the Department of Public  
174 Utility Control shall establish the transitional standard offer for each  
175 electric distribution company, effective January 1, 2004.

176 (B) The department shall hold a hearing that shall be conducted as a  
177 contested case in accordance with chapter 54 to establish the  
178 transitional standard offer. The transitional standard offer shall  
179 provide that the total rate charged under the transitional standard

180 offer, including electric transmission and distribution services, the  
181 conservation and load management program charge described in  
182 section 16-245m, as amended by this act, the renewable energy  
183 investment charge described in section 16-245n, electric generation  
184 services, the competitive transition assessment and the systems  
185 benefits charge, and excluding federally mandated congestion costs,  
186 shall not exceed the base rates, as defined in section 16-244a, in effect  
187 on December 31, 1996, excluding any rate reduction ordered by the  
188 department on September 26, 2002.

189 (C) (i) Each electric distribution company shall, on or before January  
190 1, 2004, file with the department an application for an amendment of  
191 rates pursuant to section 16-19, which application shall include a four-  
192 year plan for the provision of electric transmission and distribution  
193 services. The department shall conduct a contested case proceeding  
194 pursuant to sections 16-19 and 16-19e to approve, reject or modify the  
195 application and plan. Upon the approval of such plan, as filed or as  
196 modified by the department, the department shall order that such plan  
197 shall establish the electric transmission and distribution services  
198 component of the transitional standard offer.

199 (ii) Notwithstanding the provisions of this subparagraph, an electric  
200 distribution company that, on or after September 1, 2002, completed a  
201 proceeding pursuant to sections 16-19 and 16-19e, shall not be required  
202 to file an application for an amendment of rates as required by this  
203 subparagraph. The department shall establish the electric transmission  
204 and distribution services component of the transitional standard offer  
205 for any such company equal to the electric transmission and  
206 distribution services component of the standard offer established  
207 pursuant to subsection (a) of this section in effect on the effective date  
208 of this section for such company. If such electric distribution company  
209 applies to the department, pursuant to section 16-19, for an  
210 amendment of its rates on or before December 31, 2006, the application  
211 of the electric distribution company shall include a four-year plan.

212 (D) The transitional standard offer shall be adjusted to the extent of

213 any increase or decrease in state taxes attributable to sections 12-264  
214 and 12-265 and any other increase or decrease in state or federal taxes  
215 resulting from a change in state or federal law and shall continue to be  
216 adjusted during such period pursuant to section 16-19b. Savings  
217 attributable to a reduction in taxes shall not be shifted between  
218 customer classes. Notwithstanding the provisions of section 16-19b, the  
219 provisions of section 16-19b shall apply to electric distribution  
220 companies.

221 (E) The transitional standard offer may be adjusted, by an increase  
222 or decrease, to the extent approved by the department, in the event  
223 that (i) the revenue requirements of the company are affected as the  
224 result of changes in (I) legislative enactments other than this act or  
225 public act 98-28, (II) administrative requirements, or (III) accounting  
226 standards adopted after July 1, 2003, provided such accounting  
227 standards are adopted by entities that are independent of the company  
228 and which have authority to issue such standards, or (ii) an electric  
229 distribution company incurs extraordinary and unanticipated expenses  
230 required for the provision of safe and reliable electric service to the  
231 extent necessary to provide such service.

232 (3) The price provided in subdivision (2) of this subsection shall not  
233 apply to customers who, on or after July 1, 2003, purchase electric  
234 services from an electric company or electric distribution company, as  
235 the case may be, under a special contract or flexible rate tariff,  
236 provided the company's filed transitional standard offer tariffs shall  
237 reflect that such customers shall not receive the transitional standard  
238 offer price during the term of said contract or tariff.

239 (4) (A) In addition to its costs received pursuant to subsection (h) of  
240 this section, as compensation for providing transitional standard offer  
241 service, each electric distribution company shall receive an amount  
242 equal to five-tenths of one mill per kilowatt hour. Revenues from such  
243 compensation shall not be included in calculating the electric  
244 distribution company's earnings for purposes of, or in determining  
245 whether its rates are just and reasonable under, sections 16-19, 16-19a



246 and 16-19e, including an earnings sharing mechanism. In addition,  
247 each electric distribution company may earn compensation for  
248 mitigating the prices of the contracts for the provision of electric  
249 generation services, as provided in subdivision (2) of this subsection.

250 (B) The department shall conduct a contested case proceeding  
251 pursuant to the provisions of chapter 54 to establish an incentive plan  
252 for the procurement of long-term contracts for transitional standard  
253 offer service by an electric distribution company. The incentive plan  
254 shall be based upon a comparison of the actual average firm full  
255 requirements service contract price for electricity obtained by the  
256 electric distribution company compared to the regional average firm  
257 full requirements service contract price for electricity, adjusted for such  
258 variables as the department deems appropriate, including, but not  
259 limited to, differences in locational marginal pricing. If the actual  
260 average firm full requirements service contract price obtained by the  
261 electric distribution company is less than the actual regional average  
262 firm full requirements service contract price for the previous year, the  
263 department shall split five-tenths of one mill per kilowatt hour equally  
264 between ratepayers and the company. Revenues from such incentive  
265 plan shall not be included in calculating the electric distribution  
266 company's earnings for purposes of, or in determining whether its  
267 rates are just and reasonable under sections 16-19, 16-19a and 16-19e.  
268 The department may, as it deems necessary, retain a third party entity  
269 with expertise in energy procurement to assist with the development  
270 of such incentive plan.

271 (c) (1) On and after January 1, 2007, each electric distribution  
272 company shall provide electric generation services through standard  
273 service to any customer who (A) does not arrange for or is not  
274 receiving electric generation services from an electric supplier, and (B)  
275 does not use a demand meter or has a maximum demand of less than  
276 five hundred kilowatts.

277 (2) Not later than October 1, 2006, and periodically as required by  
278 subdivision (3) of this subsection, but not more often than every

279 calendar quarter, the Department of Public Utility Control shall  
280 establish the standard service price for such customers pursuant to  
281 subdivision (3) of this subsection. Each electric distribution company  
282 shall recover the actual net costs of procuring and providing electric  
283 generation services pursuant to this subsection, provided such  
284 company mitigates the costs it incurs for the procurement of electric  
285 generation services for customers who are no longer receiving service  
286 pursuant to this subsection.

287 (3) An electric distribution company providing electric generation  
288 services pursuant to this subsection shall mitigate the variation of the  
289 price of the service offered to its customers by procuring electric  
290 generation services contracts in the manner prescribed in a plan  
291 approved by the department. Such plan shall require the procurement  
292 of a portfolio of service contracts sufficient to meet the projected load  
293 of the electric distribution company. Such plan shall require that the  
294 portfolio of service contracts be procured in an overlapping pattern of  
295 fixed periods at such times and in such manner and duration as the  
296 department determines to be most likely to produce just, reasonable  
297 and reasonably stable retail rates while reflecting underlying  
298 wholesale market prices over time. The portfolio of contracts shall be  
299 assembled in such manner as to invite competition; guard against  
300 favoritism, improvidence, extravagance, fraud and corruption; and  
301 secure a reliable electricity supply while avoiding unusual, anomalous  
302 or excessive pricing. The portfolio of contracts procured under such  
303 plan shall be for terms of not less than six months, provided contracts  
304 for shorter periods may be procured under such conditions as the  
305 department shall prescribe to (A) ensure the lowest rates possible for  
306 end-use customers; (B) ensure reliable service under extraordinary  
307 circumstances; and (C) ensure the prudent management of the contract  
308 portfolio. An electric distribution company may receive a bid for an  
309 electric generation services contract from any of its generation entities  
310 or affiliates, provided such generation entity or affiliate submits its bid  
311 the business day preceding the first day on which an unaffiliated  
312 electric supplier may submit its bid and further provided the electric

313 distribution company and the generation entity or affiliate are in  
314 compliance with the code of conduct established in section 16-244h.

315 (4) The department, in consultation with the Office of Consumer  
316 Counsel, shall retain the services of a third-party entity with expertise  
317 in the area of energy procurement to oversee the initial development of  
318 the request for proposals and the procurement of contracts by an  
319 electric distribution company for the provision of electric generation  
320 services offered pursuant to this subsection. Costs associated with the  
321 retention of such third-party entity shall be included in the cost of  
322 electric generation services that is included in such price.

323 (5) Each bidder for a standard service contract shall submit its bid to  
324 the electric distribution company and the third-party entity who shall  
325 jointly review the bids and submit an overview of all bids together  
326 with a joint recommendation to the department as to the preferred  
327 bidders. The department may, within ten business days of submission  
328 of the overview, reject the recommendation regarding preferred  
329 bidders. In the event that the department rejects the preferred bids, the  
330 electric distribution company and the third-party entity shall rebid the  
331 service pursuant to this subdivision.

332 (d) (1) Notwithstanding the provisions of this section regarding the  
333 electric generation services component of the transitional standard  
334 offer or the procurement of electric generation services under standard  
335 service, section 16-244h or 16-245o, the Department of Public Utility  
336 Control may, from time to time, direct an electric distribution company  
337 to offer, through an electric supplier or electric suppliers, before  
338 January 1, 2007, one or more alternative transitional standard offer  
339 options or, on or after January 1, 2007, one or more alternative  
340 standard service options. Such alternative options shall include, but  
341 not be limited to, an option that consists of the provision of electric  
342 generation services that exceed the renewable portfolio standards  
343 established in section 16-245a, as amended by this act, and may  
344 include an option that utilizes strategies or technologies that reduce  
345 the overall consumption of electricity of the customer.

346       (2) (A) The department shall develop such alternative option or  
347 options in a contested case conducted in accordance with the  
348 provisions of chapter 54. The department shall determine the terms  
349 and conditions of such alternative option or options, including, but not  
350 limited to, (i) the minimum contract terms, including pricing, length  
351 and termination of the contract, and (ii) the minimum percentage of  
352 electricity derived from Class I or Class II renewable energy sources, if  
353 applicable. The electric distribution company shall, under the  
354 supervision of the department, subsequently conduct a bidding  
355 process in order to solicit electric suppliers to provide such alternative  
356 option or options.

357       (B) The department may reject some or all of the bids received  
358 pursuant to the bidding process.

359       (3) The department may require an electric supplier to provide  
360 forms of assurance to satisfy the department that the contracts  
361 resulting from the bidding process will be fulfilled.

362       (4) An electric supplier who fails to fulfill its contractual obligations  
363 resulting from this subdivision shall be subject to civil penalties, in  
364 accordance with the provisions of section 16-41, or the suspension or  
365 revocation of such supplier's license or a prohibition on the acceptance  
366 of new customers, following a hearing that is conducted as a contested  
367 case, in accordance with the provisions of chapter 54.

368       (e) (1) On and after January 1, 2007, an electric distribution company  
369 shall serve customers that are not eligible to receive standard service  
370 pursuant to subsection (c) of this section as the supplier of last resort.  
371 This subsection shall not apply to customers purchasing power under  
372 contracts entered into pursuant to section 16-19hh. Any customer  
373 previously receiving electric generation services from an electric  
374 supplier shall not be eligible to receive supplier of last resort service  
375 pursuant to this subsection unless such customer agrees to receive  
376 supplier of last resort service for a period of not less than one year.

377       (2) An electric distribution company shall procure electricity to

378 provide electric generation services to customers pursuant to this  
379 subsection. The Department of Public Utility Control shall determine a  
380 price for such customers that reflects the full cost of providing the  
381 electricity on a monthly basis. Each electric distribution company shall  
382 recover the actual net costs of procuring and providing electric  
383 generation services pursuant to this subsection, provided such  
384 company mitigates the costs it incurs for the procurement of electric  
385 generation services for customers that are no longer receiving service  
386 pursuant to this subsection.

387     [(c)] (f) On and after January 1, 2000, and until such time the  
388 regional independent system operator implements procedures for the  
389 provision of back-up power to the satisfaction of the Department of  
390 Public Utility Control, each electric distribution company shall provide  
391 electric generation services to any customer who has entered into a  
392 service contract with an electric supplier that fails to provide electric  
393 generation services for reasons other than the customer's failure to pay  
394 for such services. Between January 1, 2000, and December 31, [2003]  
395 2006, an electric distribution company may procure electric generation  
396 services through a competitive bidding process or through any of its  
397 generation entities or affiliates. On and after January 1, [2004] 2007,  
398 such company shall procure electric generation services through a  
399 competitive bidding process pursuant to a plan submitted by the  
400 electric distribution company and approved by the department. Such  
401 company may procure electric generation services through any of its  
402 generation entities or affiliates, provided such entity or affiliate is the  
403 lowest qualified bidder and provided further any such entity or  
404 affiliate is licensed pursuant to section 16-245, as amended by this act.

405     [(d)] (g) An electric distribution company is not required to be  
406 licensed pursuant to section 16-245, as amended by this act, to provide  
407 standard offer electric generation services in accordance with  
408 subsection (a) of this section, transitional standard offer service  
409 pursuant to subsection (b) of this section, standard service pursuant to  
410 subsection (c) of this section, supplier of last resort service pursuant to  
411 subsection (e) of this section or back-up electric generation [services

412 prior to January 1, 2004, in accordance with subsection (c) of this  
413 section] service pursuant to subsection (f) of this section.

414 [(e)] (h) The electric distribution company shall be entitled to  
415 recover reasonable costs incurred as a result of providing standard  
416 offer electric generation services pursuant to the provisions of  
417 subsection (a) of this section, [the default service pursuant to  
418 subsection (b) of this section or the back-up electric generation services  
419 pursuant to subsection (c) of this section] transitional standard offer  
420 service pursuant to subsection (b) of this section, standard service  
421 pursuant to subsection (d) of this section or back-up electric generation  
422 service pursuant to subsection (f) of this section. The provisions of this  
423 section and section 16-244a shall satisfy the requirements of section 16-  
424 19a until January 1, [2004] 2007.

425 [(f)] (i) The Department of Public Utility Control shall establish, by  
426 regulations adopted pursuant to chapter 54, [standards or procedures  
427 for an electric distribution company's procuring power and  
428 competitive bidding for purposes of subsections (b) and (c) of this  
429 section in a commercially reasonable manner and] procedures for  
430 when and how a customer is notified that his electric supplier has  
431 defaulted and of the need for the customer to choose a new electric  
432 supplier within a reasonable period of time.

433 (j) (1) Notwithstanding the provisions of subsection (d) of this  
434 section regarding an alternative transitional standard offer option or  
435 an alternative standard service option, an electric distribution  
436 company providing transitional standard offer service, standard  
437 service, supplier of last resort service or back-up electric generation  
438 service in accordance with this section shall comply with the  
439 renewable portfolio standards by contracting with an electric supplier  
440 to meet such standards. The Department of Public Utility Control shall  
441 annually conduct a contested case, in accordance with the provisions  
442 of chapter 54, in order to determine whether the electric distribution  
443 company met the renewable portfolio standards during the preceding  
444 year. The department shall require a payment by any such electric

445 distribution company that fails to comply with the renewable portfolio  
446 standards during the subject annual period in the amount of five and  
447 one-half cents per kilowatt hour. The department shall allocate such  
448 payment to the Renewable Energy Investment Fund for the  
449 development of Class I renewable energy sources. A payment incurred  
450 pursuant to this subdivision shall not be deemed a recoverable  
451 operating expense in a rate proceeding held pursuant to section 16-19.

452 (2) Notwithstanding the provisions of subsection (d) of this section  
453 regarding an alternative transitional standard offer option or an  
454 alternative standard service option, an electric distribution company  
455 providing transitional standard offer service, standard service,  
456 supplier of last resort service or back-up electric generation service in  
457 accordance with this section shall, not later than July 1, 2007, file with  
458 the Department of Public Utility Control one or more long-term power  
459 purchase contracts from Class I renewable energy source projects that  
460 receive funding from the Renewable Energy Investment Fund at a  
461 price that is not more than the total of the comparable wholesale  
462 market price for generation plus five and one-half cents per kilowatt  
463 hour. Such contracts shall be comprised of not less than a total,  
464 apportioned among each electric distribution company, of one  
465 hundred megawatts. The cost of such contracts and the administrative  
466 costs for the procurement of such contracts directly incurred shall be  
467 eligible for inclusion in the generation services charge component of  
468 rates, provided that such contracts are for a period of time sufficient to  
469 provide financing for such projects, but not less than ten years and are  
470 for projects which began operation on or after July 1, 2003. The amount  
471 from Class I renewable energy sources contracted under such contracts  
472 shall be applied to reduce the applicable Class I renewable energy  
473 source portfolio standards. For purposes of this subdivision, the  
474 department's determination of the comparable wholesale market price  
475 for generation shall be based upon a reasonable estimate.

476 Sec. 5. Section 16-244d of the general statutes is amended by adding  
477 subsections (f) and (g) as follows (*Effective July 1, 2003*):

478 (NEW) (f) The Department of Public Utility Control, in consultation  
479 with the Office of Consumer Counsel, shall establish a program for the  
480 dissemination of information regarding electric suppliers. Such  
481 program shall require electric distribution companies to distribute an  
482 informational summary on electric suppliers to any new customer and  
483 to existing customers beginning on January 1, 2004, and semiannually  
484 thereafter. Such informational summary shall be developed by the  
485 department and shall include, but not be limited to, the name of each  
486 licensed electric supplier, the state where the supplier is based,  
487 information on whether the supplier has active offerings for either  
488 residential or commercial and industrial consumers, the telephone  
489 number and Internet address of the supplier, and information as to  
490 whether the supplier offers electric generation services from renewable  
491 energy sources in excess of the portfolio standards established  
492 pursuant to section 16-245a, as amended by this act. The department  
493 shall include pricing information in the informational summary to the  
494 extent the department determines feasible. The department shall post  
495 the informational summary in a conspicuous place on its website and  
496 provide electronic links to the website of each supplier. The  
497 department shall update the informational summary on its website on  
498 at least a quarterly basis.

499 (NEW) (g) The Department of Public Utility Control, in consultation  
500 with the Office of Consumer Counsel and the Consumer Education  
501 Advisory Council, shall, not later than October 1, 2003, develop a plan  
502 for the restart of the education outreach program on or before October  
503 1, 2004, and submit, in accordance with the provisions of section 11-4a,  
504 such plan to the joint standing committee of the General Assembly  
505 having cognizance of matters relating to energy and technology.

506 Sec. 6. Section 16-245 of the general statutes is repealed and the  
507 following is substituted in lieu thereof (*Effective July 1, 2003*):

508 (a) No person shall execute any contract relating to the sale of  
509 electric generation services to be rendered after January 1, 2000, to end  
510 use customers located in the state unless such person has been issued a



511 license by the department in accordance with the provisions of this  
512 section. No license shall be valid before July 1, 1999.

513 (b) On and after January 1, 2000, no person, no municipality and no  
514 regional water authority shall sell or attempt to sell electric generation  
515 services to end use customers located in the state using the  
516 transmission or distribution facilities of an electric distribution  
517 company [, as defined in section 16-1, and no municipality and no  
518 regional water authority except as provided in section 16-245b and no  
519 person shall aggregate, broker or market the sale of electric generation  
520 services to end use customers using the transmission or distribution  
521 facilities of an electric distribution company] unless the person has  
522 been issued a license by the Department of Public Utility Control in  
523 accordance with the provisions of this section, provided an electric  
524 distribution company is not required to be licensed pursuant to this  
525 section to provide electric generation services pursuant to [subsection  
526 (a) or, prior to January 1, 2004, subsection (c) of] section 16-244c, as  
527 amended by this act. On and after April 30, 2002, the Connecticut  
528 Resources Recovery Authority shall not [(1)] sell or attempt to sell  
529 electric generation services to end use customers located in the state  
530 using the transmission or distribution facilities of an electric  
531 distribution company [, as defined in section 16-1,] unless the authority  
532 has been issued a license by the Department of Public Utility Control  
533 in accordance with the provisions of this section. [, or (2) aggregate,  
534 broker or market the sale of electric generation services to end use  
535 customers using the transmission or distribution facilities of an electric  
536 distribution company except as provided in section 16-245b.] Not later  
537 than January 1, 1999, the department shall, by regulations adopted  
538 pursuant to chapter 54, develop licensing procedures. The licensing  
539 process shall begin not later than April 1, 1999.

540 (c) To ensure the safety and reliability of the supply of electricity in  
541 this state, the Department of Public Utility Control shall not issue a  
542 license unless the [person] applicant can demonstrate to the  
543 satisfaction of the department that [: (1) The person] the applicant has  
544 the technical, managerial and financial capability to provide electric

545 generation services and provides and maintains a bond or other  
546 security in amount and form approved by the department, to ensure  
547 its financial responsibility and its supply of electricity to end use  
548 customers in accordance with contracts, agreements or arrangements;  
549 [; (2) the person or the entity or entities with whom the person has a  
550 contractual relationship to purchase power is in compliance with all  
551 applicable licensing requirements of the Federal Energy Regulatory  
552 Commission; (3) the person is registered with or certified by the  
553 regional independent systems operator or has a contractual  
554 relationship with one or more entities who are registered with or  
555 certified by the regional independent systems operator and is in  
556 compliance with all system rules and standards established by the  
557 regional independent systems operator; (4) the person owns or  
558 purchases such capacity and reserves as may be required by the  
559 regional independent system operator, to provide adequate electricity  
560 to all the person's customers; (5) the person's generation facilities  
561 located in North America are in compliance with regulations adopted  
562 by the Commissioner of Environmental Protection pursuant to section  
563 22a-174j; and (6) for any generation facility within this state, the facility  
564 is in compliance with chapter 277a and state environmental laws and  
565 regulations.] A license shall be subject to periodic review on a schedule  
566 to be established by the department.

567 (d) An application for a license shall be filed with the Department of  
568 Public Utility Control, accompanied by a fee pursuant to subsection (e)  
569 of this section. The application shall contain such information as the  
570 department may deem relevant, including, but not limited to, the  
571 following: (1) The address of the applicant's headquarters and the  
572 articles of incorporation, as filed with the state in which the applicant  
573 is incorporated; (2) the address of the applicant's principal office in the  
574 state, [and] if any, or the address of the applicant's agent for service in  
575 the state; (3) the toll-free telephone number for customer service; (4)  
576 information about the applicant's corporate structure, including names  
577 and financial statements, as appropriate, concerning corporate  
578 affiliates; (5) a disclosure of whether the applicant or any of the

579 [applicant is] applicant's corporate affiliates or officers have been or  
580 are currently under investigation for violation of any consumer  
581 protection law or regulation to which it is subject, either in this state or  
582 in another state; (6) a copy of its standard service contract; [(7) an  
583 attestation that it is subject to chapters 208, 212, 212a and 219, as  
584 applicable, and that it shall pay all taxes it is subject to in this state; and  
585 (8)] and (7) a scope of service plan which sets forth, among other  
586 things, a description of the geographic area the applicant plans to  
587 serve.

588 (e) The application fee shall include the costs to investigate and  
589 administer the licensing procedure and shall be commensurate with  
590 the level of investigation necessary, as determined by regulations  
591 adopted by the Department of Public Utility Control.

592 (f) Not more than thirty days after receiving an application, the  
593 Department of Public Utility Control shall notify the applicant whether  
594 the application is complete or whether the applicant must submit  
595 additional information. The department shall grant or deny a license  
596 application [, after notice and a hearing,] not more than ninety days  
597 after receiving all information required of an applicant. [Any hearing  
598 shall be conducted as a contested case in accordance with chapter 54.]  
599 The department shall hold a public hearing on an application upon the  
600 request of any interested party.

601 (g) [The Department of Public Utility Control shall require, as] As  
602 conditions of [a license, that] continued licensure, in addition to the  
603 requirements of subsection (c) of this section: (1) The [supplier  
604 complies] licensee shall comply with the National Labor Relations Act  
605 and regulations, if applicable; (2) the [supplier complies] licensee shall  
606 comply with the Connecticut Unfair Trade Practices Act and applicable  
607 regulations; (3) each generating facility operated by or under long-term  
608 contract to the [supplier complies] licensee shall comply with  
609 regulations adopted by the Commissioner of Environmental  
610 Protection, pursuant to section 22a-174j; (4) the [supplier complies]  
611 licensee shall comply with the portfolio standards, pursuant to section

612 16-245a, as amended by this act; (5) the licensee shall be a member of  
613 the New England Power Pool or its successor or has a contractual  
614 relationship with one or more entities who are members of the New  
615 England Power Pool or its successor and the [supplier complies]  
616 licensee shall comply with the [system] rules of the regional  
617 independent system operator and standards and any other reliability  
618 guidelines of the regional independent systems operator; (6) the  
619 [supplier agrees] licensee shall agree to cooperate with the department  
620 and other electric suppliers [, as defined in section 16-1,] in the event of  
621 an emergency condition that may jeopardize the safety and reliability  
622 of electric service; (7) the [supplier complies] licensee shall comply  
623 with the code of conduct established pursuant to section 16-244h; [and]  
624 (8) for a license to a participating municipal electric utility, the  
625 [supplier provides] licensee shall provide open and nondiscriminatory  
626 access [of] to its distribution facilities to other licensed electric  
627 suppliers; (9) the licensee or the entity or entities with whom the  
628 licensee has a contractual relationship to purchase power shall be in  
629 compliance with all applicable licensing requirements of the Federal  
630 Energy Regulatory Commission; (10) each generating facility operated  
631 by or under long-term contract to the licensee shall be in compliance  
632 with chapter 277a and state environmental laws and regulations; (11)  
633 the licensee shall comply with the renewable portfolio standards  
634 established in section 16-245a, as amended by this act; and (12) the  
635 licensee shall acknowledge that it is subject to chapters 208, 212, 212a  
636 and 219, as applicable, and the licensee shall pay all taxes it is subject  
637 to in this state. Also as a condition of a license, the department shall  
638 prohibit each [supplier] licensee from declining to provide service to  
639 customers for the reason that the customers are located in  
640 economically distressed areas. The department may establish  
641 additional reasonable conditions to assure that all retail customers will  
642 continue to have access to electric generation services.

643 (h) The department shall maintain regular communications with the  
644 regional independent system operator to effectuate the provisions of  
645 this section and to ensure that an adequate, safe and reliable supply of

646 electricity is available.

647 (i) Each licensee shall, at such times as the department requires but  
648 not less than annually, submit to the Department of Public Utility  
649 Control, on a form prescribed by the department, an update of  
650 information the department deems relevant. Each licensee shall notify  
651 the department at least ten days before: (1) A change in corporate  
652 structure that affects the licensee; (2) a change in the scope of service,  
653 as provided in the [supplier's] licensee's scope of service plan  
654 submitted to the department as part of the application process; and (3)  
655 any other change the department deems relevant.

656 (j) No license may be transferred without the prior approval of the  
657 department. The department may assess additional licensing fees to  
658 pay the administrative costs of reviewing a request for such transfer.

659 [(k) An electric aggregator shall not be subject to the provisions of  
660 subdivisions (2) to (6), inclusive, of subsection (c) of this section and  
661 subdivisions (4) and (5) of subsection (g) of this section.]

662 [(l)] (k) Any [person] licensee who fails to comply with a license  
663 condition or who violates any provision of this section, except for the  
664 renewable portfolio standards contained in subsection (g) of this  
665 section, shall be subject to [sanctions] civil penalties by the Department  
666 of Public Utility Control in accordance with section 16-41, [which may  
667 include, but are not limited to,] or the suspension or revocation of such  
668 license or a prohibition on accepting new customers following a  
669 hearing that is conducted as a contested case in accordance with  
670 chapter 54. Notwithstanding the provisions of subsection (d) of this  
671 section regarding an alternative transitional standard offer option or  
672 an alternative standard service option, the department shall require a  
673 payment by a licensee that fails to comply with the renewable portfolio  
674 standards in accordance with subdivision (4) of subsection (g) of this  
675 section in the amount of five and one-half cents per kilowatt hour. The  
676 department shall allocate such payment to the Renewable Energy  
677 Investment Fund for the development of Class I renewable energy

678 sources.

679 (l) (1) An electric aggregator shall not be subject to the provisions of  
680 subsections (a) to (k), inclusive, of this section.

681 (2) No electric aggregator shall negotiate a contract for the purchase  
682 of electric generation services from an electric supplier unless such  
683 aggregator has (A) obtained a certificate of registration from the  
684 Department of Public Utility Control in accordance with this  
685 subsection, or (B) in the case of a municipality, regional water  
686 authority and the Connecticut Resources Recovery Authority,  
687 registered in accordance with section 16-245b. An electric aggregator  
688 that was licensed pursuant to this section prior to the effective date of  
689 this section shall receive a certificate of registration on the effective  
690 date of this section.

691 (3) An application for a certificate of registration shall be filed with  
692 the department, accompanied by a fee as determined by the  
693 department. The application shall contain such information as the  
694 department may deem relevant, including, but not limited to, the  
695 following: (A) The address of the applicant's headquarters and the  
696 articles of incorporation, if applicable, as filed with the state in which  
697 the applicant is incorporated; (B) the address of the applicant's  
698 principal office in the state, if any, or the address of the applicant's  
699 agent for service in the state; (C) the toll-free or in-state telephone  
700 number of the applicant; (D) information about the applicant's  
701 corporate structure, if applicable, including financial names and  
702 financial statements, as relevant, concerning corporate affiliates; (E)  
703 disclosure of whether the applicant or any of the applicant's corporate  
704 affiliates or officers, if applicable, have been or are currently under  
705 investigation for violation of any consumer protection law or  
706 regulation to which it is subject, either in this state or in another state.  
707 Each registered electric aggregator shall update the information  
708 contained in this subdivision as necessary.

709 (4) Not more than thirty days after receiving an application for a

710 certificate of registration, the department shall notify the applicant  
711 whether the application is complete or whether the applicant must  
712 submit additional information. The department shall grant or deny the  
713 application for a certificate of registration not more than ninety days  
714 after receiving all information required of an applicant. The  
715 department shall hold a public hearing on an application upon the  
716 request of any interested party.

717 (5) As a condition for maintaining a certificate of registration, the  
718 registered electric aggregator shall ensure that, where applicable, it  
719 complies with the National Labor Relations Act and regulations, if  
720 applicable, and it complies with the Connecticut Unfair Trade Practices  
721 Act and applicable regulations.

722 (6) Any registered electric aggregator that fails to comply with a  
723 registration condition or who violates any provision of this section  
724 shall be subject to civil penalties by the Department of Public Utility  
725 Control in accordance with the procedures contained in section 16-41,  
726 or the suspension or revocation of such registration, or a prohibition  
727 on accepting new customers following a hearing that is conducted as a  
728 contested case in accordance with the provisions of chapter 54.

729 Sec. 7. Section 16-245a of the general statutes is repealed and the  
730 following is substituted in lieu thereof (*Effective January 1, 2004*):

731 [(a) To be licensed under section 16-245, an applicant for a license  
732 shall demonstrate to the satisfaction of the Department of Public  
733 Utility Control that not less than one-half of one per cent of its total  
734 electricity output shall be generated from Class I renewable energy  
735 sources and an additional five and one-half per cent of the total output  
736 shall be from Class I or Class II renewable energy sources. On and after  
737 July 1, 2001, not less than three-fourths of one per cent of the total  
738 output of any such supplier shall be generated from Class I renewable  
739 energy sources and an additional five and one-half per cent of the total  
740 output shall be from Class I or Class II renewable energy sources. On  
741 and after July 1, 2002, not less than one per cent of such output shall be

742 generated from Class I renewable energy sources and an additional  
743 five and one-half per cent of the total output shall be from Class I or  
744 Class II renewable energy sources.]

745     (a) (1) On and after [July 1, 2003,] January 1, 2004, an electric  
746 supplier and an electric distribution company providing transitional  
747 standard offer pursuant to section 16-244c, as amended by this act,  
748 shall demonstrate to the satisfaction of the Department of Public  
749 Utility Control that not less than [one and one-half] one per cent of  
750 [such output] the total output or services of such supplier or  
751 distribution company shall be generated from Class I renewable  
752 energy sources and an additional [five and one-half] three per cent of  
753 the total output or services shall be from Class I or Class II renewable  
754 energy sources. On and after [July 1, 2004] January 1, 2005, not less  
755 than [two] one and one-half per cent of the total output or services of  
756 any such supplier or distribution company shall be generated from  
757 Class I renewable energy sources and an additional [six] three per cent  
758 of the total output or services shall be from Class I or Class II  
759 renewable energy sources. On and after [July 1, 2005,] January 1, 2006,  
760 an electric supplier and an electric distribution company providing  
761 standard service or supplier of last resort service, pursuant to section  
762 16-244c, as amended by this act, shall demonstrate that not less than  
763 [two and one-half] two per cent of the total output or services of any  
764 such supplier or distribution company shall be generated from Class I  
765 renewable energy sources and an additional [six] three per cent of the  
766 total output or services shall be from Class I or Class II renewable  
767 energy sources. On and after [July 1, 2006] January 1, 2007, not less  
768 than three and one-half per cent of the total output or services of any  
769 such supplier or distribution company shall be generated from Class I  
770 renewable energy sources and an additional [six] three per cent of the  
771 total output or services shall be from Class I or Class II renewable  
772 energy sources. On and after [July 1, 2007] January 1 2008, not less than  
773 [four] five per cent of the total output or services of any such supplier  
774 or distribution company shall be generated from Class I renewable  
775 energy sources and an additional [six] three per cent of the total output



776 or services shall be from Class I or Class II renewable energy sources.  
777 On and after [July 1, 2008] January 1, 2009, not less than [five] six per  
778 cent of the total output or services of any such supplier or distribution  
779 company shall be generated from Class I renewable energy sources  
780 and an additional [six] three per cent of the total output or services  
781 shall be from Class I or Class II renewable energy sources. On and after  
782 [July 1, 2009] January 1, 2010, not less than [six] seven per cent of the  
783 total output or services of any such supplier or distribution company  
784 shall be generated from Class I renewable energy sources and an  
785 additional [seven] three per cent of the total output or services shall be  
786 from Class I or Class II renewable energy sources. [An electric supplier  
787 may satisfy the requirements of this subsection by participating in a  
788 renewable energy trading program approved by the state. Any  
789 supplier who provides electric generation services solely from a Class  
790 II renewable energy source shall not be required to comply with the  
791 provisions of this section.]

792 (2) An electric supplier or electric distribution company may satisfy  
793 the requirements of this subsection by (A) purchasing Class I or Class  
794 II renewable energy sources within the jurisdiction of the regional  
795 independent system operator, or within the jurisdiction of New York,  
796 Pennsylvania, New Jersey, Maryland, and Delaware, provided the  
797 department determines such states have a renewable portfolio  
798 standard that is comparable to this section; or (B) by participating in a  
799 renewable energy trading program within said jurisdictions as  
800 approved by the Department of Public Utility Control.

801 (3) Any supplier who provides electric generation services solely  
802 from a Class II renewable energy source shall not be required to  
803 comply with the provisions of this section.

804 (b) An [applicant's demonstration] electric supplier or an electric  
805 distribution company shall base its demonstration of generation  
806 sources, as required under subsection (a) of this section [, shall be  
807 based] on historical data, which may consist of data filed with the  
808 regional independent system operator.

809       (c) (1) A supplier or an electric distribution company may make up  
810       any deficiency within its renewable energy portfolio within the first  
811       three months of the succeeding calendar year or as otherwise provided  
812       by generation information system operating rules approved by New  
813       England Power Pool or its successor to meet the generation source  
814       requirements of subsection (a) of this section for the previous year.

815       (2) No such supplier or electric distribution company shall receive  
816       credit for the current calendar year for generation from Class I or Class  
817       II renewable energy sources pursuant to this section where such  
818       supplier or distribution company receives credit for the preceding  
819       calendar year pursuant to subdivision (1) of this subsection.

820       [(c)] (d) The department [may] shall adopt regulations, [pursuant to]  
821       in accordance with the provisions of chapter 54, to implement the  
822       provisions of this section.

823       Sec. 8. Subsection (a) of section 16-245l of the general statutes, as  
824       amended by section 3 of public act 02-64, is repealed and the following  
825       is substituted in lieu thereof (*Effective January 1, 2004*):

826       (a) The Department of Public Utility Control shall establish and each  
827       electric distribution company shall collect a systems benefits charge to  
828       be imposed against all end use customers of each electric distribution  
829       company beginning January 1, 2000. The department shall hold a  
830       hearing that shall be conducted as a contested case in accordance with  
831       chapter 54 to establish the amount of the systems benefits charge. The  
832       department may revise the systems benefits charge or any element of  
833       said charge as the need arises. The systems benefits charge shall be  
834       used to fund (1) the expenses of the public education outreach  
835       program developed under [subsection (a)] subsections (a), (f) and (g)  
836       of section 16-244d, as amended by this act, other than expenses for  
837       department staff, (2) the reasonable and proper expenses of the  
838       education outreach consultant pursuant to subsection (d) of section 16-  
839       244d, (3) the cost of hardship protection measures under sections 16-  
840       262c and 16-262d and other hardship protections, including but not

841 limited to, electric service bill payment programs, funding and  
842 technical support for energy assistance, fuel bank and weatherization  
843 programs and weatherization services, (4) the payment program to  
844 offset tax losses described in section 12-94d, (5) any sums paid to a  
845 resource recovery authority pursuant to subsection (b) of section 16-  
846 243e, (6) low income conservation programs approved by the  
847 Department of Public Utility Control, (7) displaced worker protection  
848 costs, (8) unfunded storage and disposal costs for spent nuclear fuel  
849 generated before January 1, 2000, approved by the appropriate  
850 regulatory agencies, (9) postretirement safe shutdown and site  
851 protection costs that are incurred in preparation for decommissioning,  
852 (10) decommissioning fund contributions, (11) the costs of temporary  
853 electric generation facilities incurred pursuant to section 17 of this act,  
854 and [(11)] (12) legal, appraisal and purchase costs of a conservation or  
855 land use restriction and other related costs as the department in its  
856 discretion deems appropriate, incurred by a municipality on or before  
857 January 1, 2000, to ensure the environmental, recreational and scenic  
858 preservation of any reservoir located within this state created by a  
859 pump storage hydroelectric generating facility. As used in this  
860 subsection, "displaced worker protection costs" means the reasonable  
861 costs incurred, prior to January 1, 2008, by an electric supplier, exempt  
862 wholesale generator, electric company, [or] an operator of a nuclear  
863 power generating facility in this state or a generation entity or affiliate  
864 arising from the dislocation of any employee other than an officer,  
865 provided such dislocation is a result of restructuring of (A) the electric  
866 generation market and such dislocation occurs on or after July 1, 1998,  
867 or (B) the closing of a Title IV source or an exempt wholesale  
868 generator, as defined in 15 USC 79z-5a, on or after January 1, 2004, as a  
869 result of such source's failure to meet requirements imposed as a result  
870 of sections 22a-197 and 22a-198 and this section or those Regulations of  
871 Connecticut State Agencies adopted by the Department of  
872 Environmental Protection, as amended from time to time, in  
873 accordance with Executive Order Number 19, issued on May 17, 2000;  
874 and provided further such costs result from either the execution of  
875 agreements reached through collective bargaining for union

876 employees or from the company's or entity's or affiliate's programs  
877 and policies for nonunion employees. "Displaced worker protection  
878 costs" includes costs incurred or projected for severance, retraining,  
879 early retirement, outplacement, coverage for surviving spouse  
880 insurance benefits and related expenses. "Displaced worker protection  
881 costs" does not include those costs included in determining a tax credit  
882 pursuant to section 12-217bb.

883 Sec. 9. Subsection (d) of section 16-245m of the general statutes is  
884 repealed and the following is substituted in lieu thereof (*Effective July*  
885 *1, 2003*):

886 (d) (1) The Energy Conservation Management Board shall advise  
887 and assist the electric distribution companies in the development and  
888 implementation of a comprehensive plan, which plan shall be  
889 approved by the Department of Public Utility Control, to implement  
890 cost-effective energy conservation programs and market  
891 transformation initiatives. Each program contained in the plan shall be  
892 reviewed by the electric distribution company and either accepted or  
893 rejected by the Energy Conservation Management Board prior to  
894 submission to the department for approval.

895 (2) Programs included in the plan shall be screened through cost-  
896 effectiveness testing which compares the value and payback period of  
897 program benefits to program costs to ensure that programs are  
898 designed to obtain energy savings whose value is greater than the  
899 costs of the programs. Cost-effectiveness testing shall utilize available  
900 information obtained from real-time monitoring systems to ensure  
901 accurate validation and verification of energy use. Program cost-  
902 effectiveness shall be reviewed annually, or otherwise as is practicable.  
903 If a program is determined to fail the cost-effectiveness test as part of  
904 the review process, it shall either be modified to meet the test or shall  
905 be terminated. On or before January 31, 2001, and annually thereafter  
906 until January 31, 2006, the board shall provide a report to the joint  
907 standing committees of the General Assembly having cognizance of  
908 matters relating to energy and the environment which documents

909 expenditures, fund balances and evaluates the cost-effectiveness of  
910 such programs conducted in the preceding year.

911 (3) [Such programs] Programs included in the plan may include, but  
912 not be limited to: [(1)] (A) Conservation and load management  
913 programs; [(2)] (B) research, development and commercialization of  
914 products or processes which are more energy-efficient than those  
915 generally available; [(3)] (C) development of markets for such products  
916 and processes; [(4)] (D) support for energy use assessment, real-time  
917 monitoring systems, engineering studies and services related to new  
918 construction or major building renovation; [(5)] (E) the design,  
919 manufacture, commercialization and purchase of energy-efficient  
920 appliances and heating, air conditioning and lighting devices; [(6)] (F)  
921 program planning and evaluation; and [(7)] (G) public education  
922 regarding conservation. Such support may be by direct funding,  
923 manufacturers' rebates, sale price and loan subsidies, leases and  
924 promotional and educational activities. Any other expenditure by the  
925 collaborative shall be limited to retention of expert consultants and  
926 reasonable administrative costs provided such consultants shall not be  
927 employed by, or have any contractual relationship with, an electric  
928 distribution company. Such costs shall not exceed five per cent of the  
929 total revenue collected from the assessment.

930 Sec. 10. Subsection (a) of section 16-245n of the general statutes is  
931 repealed and the following is substituted in lieu thereof (*Effective July*  
932 *1, 2003*):

933 (a) For purposes of this section, "renewable energy" means solar  
934 energy, wind, ocean thermal energy, wave or tidal energy, fuel cells,  
935 landfill gas, hydrogen production and hydrogen conversion  
936 technologies, and low emission advanced biomass conversion  
937 technologies and other energy resources and emerging technologies  
938 which have significant potential for commercialization and which do  
939 not involve the combustion of coal, petroleum or petroleum products,  
940 municipal solid waste or nuclear fission.

941 Sec. 11. Subsection (d) of section 16-245n of the general statutes is  
942 repealed and the following is substituted in lieu thereof (*Effective July*  
943 *1, 2003*):

944 (d) The chairperson of the board of directors of Connecticut  
945 Innovations, Incorporated, shall convene a Renewable Energy  
946 Investments Advisory Committee to assist Connecticut Innovations,  
947 Incorporated, in matters related to the Renewable Energy Investment  
948 Fund, including, but not limited to, development of a comprehensive  
949 plan and expenditure of funds. The advisory committee shall include  
950 not more than twelve individuals with knowledge and experience in  
951 matters related to the purpose and activities of said fund. The advisory  
952 committee shall consist of the following members: (1) One person with  
953 expertise regarding renewable energy resources appointed by the  
954 speaker of the House of Representatives; (2) one person representing a  
955 state or regional organization primarily concerned with environmental  
956 protection appointed by the president pro tempore of the Senate; (3)  
957 one person with experience in business or commercial investments  
958 appointed by the majority leader of the House of Representatives; (4)  
959 one person representing a state or regional organization primarily  
960 concerned with environmental protection appointed by the majority  
961 leader of the Senate; (5) one person with experience in business or  
962 commercial investments appointed by the minority leader of the  
963 House of Representatives; (6) one person with experience in business  
964 or commercial investments appointed by the minority leader of the  
965 Senate; (7) two state officials with experience in matters relating to  
966 energy policy and one person with expertise regarding renewable  
967 energy resources appointed by the Governor; and (8) three persons  
968 with experience in business or commercial investments appointed by  
969 the board of directors of Connecticut Innovations, Incorporated. The  
970 advisory committee shall issue annually a report to such chairperson  
971 reviewing the activities of the fund in detail and shall provide a copy  
972 of such report to the joint standing committee of the General Assembly  
973 having cognizance of matters relating to energy, the Department of  
974 Public Utility Control and the Office of Consumer Counsel.

975 Sec. 12. Subsection (a) of section 16-245o of the general statutes is  
976 repealed and the following is substituted in lieu thereof (*Effective July*  
977 *1, 2003*):

978 (a) To protect a customer's right to privacy from unwanted  
979 solicitation, each electric company or electric distribution company, [as  
980 defined in section 16-1,] as the case may be, shall distribute to each  
981 customer a form approved by the Department of Public Utility Control  
982 which the customer shall submit to [his] the customer's electric or  
983 electric distribution company in a timely manner if [he] the customer  
984 does not want [his] the customer's name, address, telephone number  
985 and rate class to be released to electric suppliers. [, as defined in said  
986 section 16-1.] On and after July 1, 1999, each electric or electric  
987 distribution company, as the case may be, shall make available to all  
988 electric suppliers customer names, addresses, telephone numbers, if  
989 known, and rate class, unless the electric company or electric  
990 distribution company has received a form from a customer requesting  
991 that such information not be released. Additional information about a  
992 customer for marketing purposes shall not be released to any electric  
993 supplier unless a customer [signs a release which shall be made  
994 available by the department] consents to a release by one of the  
995 following: (1) An independent third-party telephone verification; (2)  
996 receipt of a written confirmation received in the mail from the  
997 customer after the customer has received an information package  
998 confirming any telephone agreement; (3) the customer signs a  
999 document fully explaining the nature and effect of the release; or (4)  
1000 the customer's consent is obtained through electronic means,  
1001 including, but not limited to, a computer transaction.

1002 Sec. 13. Subsection (e) of section 16-245o of the general statutes is  
1003 repealed and the following is substituted in lieu thereof (*Effective July*  
1004 *1, 2003*):

1005 (e) Each electric supplier shall, prior to the initiation of electric  
1006 generation services, provide the potential customer with a written  
1007 notice describing the rates, information on air emissions and resource

1008 mix of generation facilities operated by and under long-term contract  
1009 to the supplier, terms and conditions of the service, and a notice  
1010 describing the customer's right to cancel the service, as provided in this  
1011 section. No electric supplier shall provide electric generation services  
1012 unless the customer has signed a service contract or consents to such  
1013 services [pursuant to section 16-245s] by one of the following: (1) An  
1014 independent third-party telephone verification; (2) receipt of a written  
1015 confirmation received in the mail from the customer after the customer  
1016 has received an information package confirming any telephone  
1017 agreement; (3) the customer signs a document fully explaining the  
1018 nature and effect of the initiation of the service; or (4) the customer's  
1019 consent is obtained through electronic means, including, but not  
1020 limited to, a computer transaction. A customer who has a maximum  
1021 demand of five hundred kilowatts or less shall, until midnight of the  
1022 third business day after the day on which the customer enters into a  
1023 service agreement, have the right to cancel a contract for electric  
1024 generation services entered into with an electric supplier.

1025 Sec. 14. Section 16-245p of the general statutes is repealed and the  
1026 following is substituted in lieu thereof (*Effective July 1, 2003*):

1027 (a) [Upon being issued a license pursuant to section 16-245, an] An  
1028 electric supplier and an electric distribution company providing  
1029 standard service or back-up electric generation service, pursuant to  
1030 section 16-244c, as amended by this act, shall submit information to the  
1031 Department of Public Utility Control that the department, after  
1032 consultation with the Consumer Education Advisory Council,  
1033 established under section 16-244d, determines will assist customers in  
1034 making informed decisions when choosing an electric supplier,  
1035 including, but not limited to, the information provided in subsection  
1036 (b) of this section. Each supplier or electric distribution company  
1037 providing standard service or back-up electric generation service,  
1038 pursuant to section 16-244c, as amended by this act, shall submit, on a  
1039 form prescribed by the department, quarterly reports containing  
1040 information on rates and any other information the department deems  
1041 relevant, including, but not limited to, any change in the information



1042 as required by the department. After the department has received the  
1043 information required pursuant to this subsection, the supplier shall be  
1044 eligible to receive customer marketing information from electric or  
1045 electric distribution companies, as provided in section 16-245o, as  
1046 amended by this act.

1047 (b) The Department of Public Utility Control shall maintain and  
1048 make available to customers upon request, a list of electric aggregators  
1049 and the following information about each electric supplier [, as defined  
1050 in section 16-1] and each electric distribution company providing  
1051 standard service or back-up electric generation service, pursuant to  
1052 section 16-244c, as amended by this act: (1) Rates and charges;  
1053 [provided by an electric supplier;] (2) applicable terms and conditions  
1054 of a contract for electric generation services; [provided by an electric  
1055 supplier;] (3) the percentage of [each supplier's] the total electric  
1056 output derived from each of the categories of energy sources provided  
1057 in subsection (e) of section 16-244d, the total emission rates [at which  
1058 each facility operated by or under long-term contract to the electric  
1059 supplier emits] of nitrogen oxides, sulfur oxides, carbon dioxide,  
1060 carbon monoxide, particulates, heavy metals and other wastes the  
1061 disposal of which is regulated under state or federal law at the  
1062 facilities operated by or under long-term contract to the electric  
1063 supplier or providing electric generation services to an electric  
1064 distribution company providing standard service or back-up electric  
1065 generation service, pursuant to section 16-244c, as amended by this act,  
1066 and the analysis of the environmental characteristics of each such  
1067 category of energy source prepared pursuant to subsection (e) of said  
1068 section 16-244d and to the extent such information is unknown, the  
1069 estimated percentage of the [electric supplier's] total electric output for  
1070 which such information is unknown, along with the word "unknown"  
1071 for that percentage; (4) a record of customer complaints and the  
1072 disposition of each complaint; and (5) any other information the  
1073 department determines will assist customers in making informed  
1074 decisions when choosing an electric supplier. The department shall  
1075 update the information at least quarterly. The department shall put

1076 such information in a standard format so that a customer can readily  
1077 understand and compare the services provided by each electric  
1078 supplier.

1079 Sec. 15. Section 16-245s of the general statutes is amended by adding  
1080 subsection (d) as follows (*Effective July 1, 2003*):

1081 (NEW) (d) The Department of Public Utility Control shall adopt  
1082 regulations, in accordance with the provisions of chapter 54, to address  
1083 abusive switching practices by suppliers.

1084 Sec. 16. (NEW) (*Effective from passage*) Not later than October 1, 2004,  
1085 each municipal electric utility, including any participating municipal  
1086 electric utility, as defined in section 16-1 of the general statutes, as  
1087 amended by this act, shall, in consultation with the municipal electric  
1088 energy cooperative established under chapter 101a of the general  
1089 statutes, set, pursuant to section 7-222 of the general statutes, a rate for  
1090 the interconnection of generation facilities into its transmission and  
1091 distribution system, which generation facilities are located in the  
1092 service territory of the municipal electric utility and began operations  
1093 after the effective date of this section.

1094 Sec. 17. (NEW) (*Effective from passage*) (a) The Department of Public  
1095 Utility Control may, from July 1, 2003, to January 1, 2008, inclusive,  
1096 determine, by an affirmative vote of four commissioners of the Public  
1097 Utilities Control Authority, that (1) safe, adequate and reasonably  
1098 priced electricity is not available on the wholesale market; (2)  
1099 additional temporary electric generation facilities will result in  
1100 reductions in federally mandated congestion costs for which the  
1101 ratepayers of the state are responsible; and (3) the prices and costs  
1102 specified in subdivision (2) of this subsection will exceed the cost of  
1103 investment in temporary electric generation facilities. Such  
1104 determination shall be in writing and shall state the reasons  
1105 supporting the determination.

1106 (b) Upon issuing a determination pursuant to subsection (a) of this  
1107 section, the department shall hold a contested case proceeding, in

1108 accordance with the provisions of chapter 54 of the general statutes, to  
1109 develop a request for proposal to solicit the provision of such  
1110 additional temporary electric generation facilities, containing such  
1111 terms and conditions that will best serve the interests of the public. The  
1112 request for proposal process shall be designed to ensure fairness and  
1113 full participation by all qualified responders.

1114 (c) The department may negotiate for terms and conditions  
1115 necessary to conclude a transaction with one or more entities  
1116 responding to a request for proposal, after notice to all entities that  
1117 responded. The department shall base its decision to conclude a  
1118 transaction on the best interest of the public and ratepayers.

1119 (d) Nothing in this section shall be construed to allow an electric  
1120 distribution company to own, operate, lease or control any facility or  
1121 asset that generates electricity, or retain any interest in such facility or  
1122 asset as part of any transaction concluded pursuant to this section.

1123 Sec. 18. Subdivision (6) of subsection (a) of section 16-244e of the  
1124 general statutes is repealed and the following is substituted in lieu  
1125 thereof (*Effective July 1, 2003*):

1126 (6) Once unbundling is completed to the satisfaction of the  
1127 department and consistent with the provisions of section 16-244, (A)  
1128 any corporate affiliate or separate division that provides electric  
1129 generation services as a result of unbundling pursuant to this  
1130 subsection shall be considered a generation entity or affiliate of the  
1131 electric company, and the division or corporate affiliate of the electric  
1132 company that provides transmission and distribution services shall be  
1133 considered an electric distribution company, and (B) an electric  
1134 distribution company shall not own or operate generation assets.

1135 Sec. 19. (*Effective from passage*) Not later than July 1, 2003, the  
1136 Department of Public Utility Control shall open a docket to review and  
1137 adopt generation interconnection protocols. If the Institute of Electrical  
1138 and Electronics Engineers, or its successor, has adopted such protocols,  
1139 then the department shall adopt such protocols.

1140       Sec. 20. (*Effective from passage*) On or before July 1, 2005, the  
1141       department shall initiate a contested case proceeding, in accordance  
1142       with the provisions of chapter 54 of the general statutes, to examine the  
1143       state of competition in the retail provision of electric generation  
1144       services. The department shall examine factors associated with a  
1145       competitive market place, including, but not limited to, (1) the number  
1146       of electric suppliers providing electric generation services to end-use  
1147       customers in this state; (2) the number of electric suppliers actively  
1148       marketing new end-use customers; (3) for each electric distribution  
1149       company, the number of end-use customers receiving electric  
1150       generation services as part of the transitional standard offer  
1151       established pursuant to section 16-244c of the general statutes, as  
1152       amended by this act, as a percentage of the number of customers of  
1153       each electric distribution company; (4) for each electric distribution  
1154       company, the number of end-use customers receiving electric  
1155       generation services from an electric supplier, as a percentage of the  
1156       number of customers of each electric distribution company; (5) the  
1157       number of end-use customers who have executed a contract with an  
1158       electric supplier and who have returned to the standard offer or to the  
1159       transitional standard offer established pursuant to section 16-244c, as  
1160       amended by this act; and (6) any other factors the department may  
1161       deem relevant. In its final decision in such case, the department shall  
1162       make recommendations regarding the protection of ratepayers from  
1163       excessive rate fluctuations and the development of the market place for  
1164       the competitive provision of retail electric generation services. The  
1165       department shall submit a copy of its final decision in such case to the  
1166       joint standing committee of the General Assembly having cognizance  
1167       of matters relating to energy and public utilities not later than January  
1168       1, 2006.

1169       Sec. 21. (NEW) (*Effective from passage*) The Department of Public  
1170       Utility Control shall allocate the proceeds of the retail adder  
1171       established by the department in its decision in docket number 99-03-  
1172       36, dated October 1, 1999, or any similar subsequent retail adder  
1173       established by the department pursuant to subsection (b) of section 16-

1174 244c of the general statutes, as amended by this act, for the mitigation  
1175 of the costs associated with the compensation provided in subdivision  
1176 (4) of subsection (b) of section 16-244c of the general statutes, as  
1177 amended by this act. The department may use any remaining proceeds  
1178 of a retail adder for the mitigation of the costs associated with the  
1179 difference between the total rate charged under the standard offer  
1180 pursuant to subsection (a) of section 16-244c of the general statutes and  
1181 the total rate charged under the transitional standard offer pursuant to  
1182 subsection (b) of section 16-244c of the general statutes, and then for  
1183 the accelerated payment of stranded costs established pursuant to  
1184 section 16-245e of the general statutes.

1185 Sec. 22. Subsection (a) of section 16-245d of the general statutes is  
1186 repealed and the following is substituted in lieu thereof (*Effective from*  
1187 *passage*):

1188 (a) The Department of Public Utility Control shall, by regulations  
1189 adopted pursuant to chapter 54, develop a standard billing format that  
1190 enables customers to compare pricing policies and charges among  
1191 electric suppliers. [, as defined in section 16-1.] On and after January 1,  
1192 2000, each electric company or electric distribution company, [as  
1193 defined in said section 16-1,] as the case may be, shall, in accordance  
1194 with the billing format developed by the department, include at a  
1195 minimum the following information in each customer's bill: (1) The  
1196 total amount owed by the customer, which shall be itemized to show,  
1197 (A) the electric generation services component and any additional  
1198 charges imposed by the electric supplier, if applicable, (B) the electric  
1199 transmission and distribution charge, including all applicable taxes  
1200 and the systems benefits charge, as provided in section 16-245l, as  
1201 amended by this act, (C) the competitive transition assessment, as  
1202 provided in section 16-245g, (D) federally-mandated congestion costs,  
1203 and [(D)] (E) the conservation and renewable energy charge, consisting  
1204 of the conservation and load management program charge, as  
1205 provided in section 16-245m, as amended by this act, and the  
1206 renewable energy investment charge, as provided in section 16-245n,  
1207 as amended by this act; (2) any unpaid amounts from previous bills

1208 which shall be listed separately from current charges; (3) except for  
1209 customers subject to a demand charge, the rate and usage for the  
1210 current month and each of the previous twelve months in the form of a  
1211 bar graph or other visual form; (4) the payment due date; (5) the  
1212 interest rate applicable to any unpaid amount; (6) the toll-free  
1213 telephone number of the electric distribution company to report power  
1214 losses; (7) the toll-free telephone number of the Department of Public  
1215 Utility Control for questions or complaints; (8) the toll-free telephone  
1216 number and address of the electric supplier; and (9) a statement about  
1217 the availability of information concerning electric suppliers pursuant  
1218 to section 16-245p, as amended by this act.

1219 Sec. 23. Section 16-331 of the general statutes is amended by adding  
1220 subsection (i) as follows (*Effective October 1, 2003*):

1221 (NEW) (i) Notwithstanding the provisions of subsections (b) and (d)  
1222 of this section, the department shall not renew a franchise for a term of  
1223 more than five years if the department determines that the person,  
1224 association or corporation, during the term of the prior franchise, has  
1225 substantially failed to (1) deal effectively with consumer requests,  
1226 complaints and billing or service questions and disputes; (2) provide  
1227 quality and diversity of programming; (3) maintain fair and reasonable  
1228 rates for basic and extended basic service, and associated equipment,  
1229 taking into consideration the quality of service and programming  
1230 provided to consumers; (4) provide quality community access  
1231 programming, including public access, educational access,  
1232 governmental access programming and the Connecticut Television  
1233 Network or its successor; or (5) meet commitments for service  
1234 extension to customers within the franchise area. Nothing in this  
1235 subsection shall authorize the department to set specific rates for  
1236 service or associated equipment.

1237 Sec. 24. (*Effective July 1, 2003*) Section 16-6c of the general statutes is  
1238 repealed."

|  |                        |
|--|------------------------|
| This act shall take effect as follows: |                        |
| Section 1                              | <i>July 1, 2003</i>    |
| Sec. 2                                 | <i>July 1, 2003</i>    |
| Sec. 3                                 | <i>July 1, 2003</i>    |
| Sec. 4                                 | <i>July 1, 2003</i>    |
| Sec. 5                                 | <i>July 1, 2003</i>    |
| Sec. 6                                 | <i>July 1, 2003</i>    |
| Sec. 7                                 | <i>January 1, 2004</i> |
| Sec. 8                                 | <i>January 1, 2004</i> |
| Sec. 9                                 | <i>July 1, 2003</i>    |
| Sec. 10                                | <i>July 1, 2003</i>    |
| Sec. 11                                | <i>July 1, 2003</i>    |
| Sec. 12                                | <i>July 1, 2003</i>    |
| Sec. 13                                | <i>July 1, 2003</i>    |
| Sec. 14                                | <i>July 1, 2003</i>    |
| Sec. 15                                | <i>July 1, 2003</i>    |
| Sec. 16                                | <i>from passage</i>    |
| Sec. 17                                | <i>from passage</i>    |
| Sec. 18                                | <i>July 1, 2003</i>    |
| Sec. 19                                | <i>from passage</i>    |
| Sec. 20                                | <i>from passage</i>    |
| Sec. 21                                | <i>from passage</i>    |
| Sec. 22                                | <i>from passage</i>    |
| Sec. 23                                | <i>October 1, 2003</i> |
| Sec. 24                                | <i>July 1, 2003</i>    |